



IN REPLY REFER TO

**DEFENSE CONTRACT AUDIT AGENCY**

CAMERON STATION  
ALEXANDRIA, VIRGINIA 22314

OSA-1553-68  
CI-68-16-297

REPLY TO:

May 8, 1968

7322  
STATINTL  
/s/

SUBJECT: Report on Evaluation of Price Proposal

Contract ☐ (657) 12846 - ECP 1940-29

TO : Contracting Officer

REF : ☐ Technical Proposal ECP #1940-29 dated 29 April 1968

1. Purpose of Evaluation. Per request, an evaluation has been made of the contractor's CPIF proposal for the purpose of determining the reasonableness of the estimated costs in the amount of \$9,503, for the SCL Logic Plague and Memory RFI Retrofit.

2. Scope of Evaluation. The review included an examination of the labor, overhead, and general and administrative rates as well as the pricing of the estimated bill of materials.

3. Results of Evaluation. Subject to a review of the estimated labor hours by a technical representative, the auditor accepts the proposed costs based on the following comments:

Engineering Labor  
Engineering Burden  
Materials  
General and Administrative  
Total Cost  
Fee Requested  
Total Proposal

Per  
Proposal      Comments

a. The auditor accepts the contractor's hourly rates, since they compare favorably with what the contractor is currently experiencing under this program.

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b. The proposed burden and G&A rates are those agreed to for use in bid proposals and are therefore acceptable.

c. The estimated material costs were adequately supported by a purchase order placed for the effort plus a current vendor's quote for the remaining items.

4. Comments on Fee. The contractor has requested a fee based on ☐ of the estimated costs. The original target fee negotiated for the basic contract was based on ☐ of the estimated target costs.

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*for Charles M. Hanley*  
ARTHUR G. HANLEY  
DCAA Representative - APL